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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the transition period from to

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Commission File Number : 0-12499

## 'st Financial Bancorp

(Exact name of registrant as specified in its charter)

| California | 94-28222858 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 701 South Ham Lane , Lodi, California | 95242 |
| (Address of principal executive offices) | (Zip Code) |

(209)-367-2000
(Registrant's telephone number, including area code)

NA
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

As of March 31, 1992, there were 1,251,451 shares of Common Stock, no par value, outstanding.

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**FIRST FINANCIAL BANCORP**

**FORM 10-Q**

**FOR THE QUARTER ENDED MARCH 31, 1992**

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## PART I – FINANCIAL INFORMATION

**Item 1.** **First Financial Bancorp & Subsidiary**
**Consolidated Balance Sheets**

| **Assets** | March 31 1992 | Dec. 31 1991 |
|---|---|---|
| | (Dollar amounts in thousands, except per share amounts) | |
| Cash and due from banks | $ 6,040 | $ 6,413 |
| Interest bearing deposits in banks | 450 | 200 |
| Investment securities | 11,162 | 11,467 |
| Federal funds sold | 1,900 | 3,800 |
| Loans | 69,643 | 69,214 |
| Less: allowance for loan losses | 837 | 823 |
| Net loans | 68,806 | 68,391 |
| Bank premises and equipment, net | 7,429 | 7,497 |
| Accrued interest receivable | 1,067 | 1,211 |
| Other assets | 1,428 | 1,278 |
| **Total Assets** | $ 98,282 | $ 100,257 |
| **Liabilities and Stockholders' Equity** | | |
| Liabilities: | | |
| Deposits: | | |
| Noninterest bearing | $ 4,662 | $ 5,221 |
| Interest bearing | 80,526 | 82,264 |
| Total deposits | 85,188 | 87,485 |
| Accrued interest payable | 561 | 684 |
| Other liabilities | 368 | 126 |
| Note payable | 2,692 | 2,698 |
| Total liabilities | 88,809 | 90,993 |
| Stockholders' equity: | | |
| Common stock - no par value; authorized 9,000,000 shares, issued and outstanding 1991 and 1992, 1,251,451 shares | 7,095 | 7,095 |
| Retained earnings | 2,378 | 2,169 |
| Total stockholders' equity | 9,473 | 9,264 |
| **Total Liabilities and Stockholders' Equity** | $ 98,282 | $ 100,257 |

## PART I – FINANCIAL INFORMATION

### First Financial Bancorp & Subsidiary
### Consolidated Statements of Income

| | Three months ended March 31 | |
|---|---|---|
| | 1992 | 1991 |
| | (Dollar amounts in thousands, except per share amounts) | |
| Interest income: | | |
| Loans, including fees | $ 1,800 | $ 1,798 |
| Investment securities: | | |
| Taxable | 79 | 74 |
| Exempt from federal taxes | 120 | 109 |
| Federal funds sold | 27 | 23 |
| Deposits in banks and other interest | 3 | 4 |
| Total interest income | 2,029 | 2,008 |
| Interest expense: | | |
| Deposit accounts | 996 | 1,126 |
| Other | 72 | 1 |
| Total interest expense | 1,068 | 1,127 |
| Net interest income | 961 | 881 |
| Provision for loan losses | 45 | 60 |
| Net interest income after provision for loan losses | 916 | 821 |
| Other income: | | |
| Service charges | 137 | 106 |
| Premiums and fees from SBA and mortgage operations | 197 | 125 |
| Miscellaneous | 36 | 21 |
| Total other income | 370 | 252 |
| Operating expense: | | |
| Salaries and employee benefits | 462 | 432 |
| Occupancy | 98 | 74 |
| Equipment | 86 | 76 |
| Other | 337 | 267 |
| Total operating expense | 983 | 849 |
| Income before provision for income taxes | 303 | 224 |
| Provision for income taxes | 90 | 57 |
| Net income | $ 213 | $ 167 |
| Earnings per share: | | |
| Primary | $ 0.16 | $ 0.14 |
| Fully diluted | $ 0.16 | $ 0.14 |

## PART I – FINANCIAL INFORMATION

### First Financial Bancorp & Subsidiary
### Consolidated Statements of Cash Flows

| | Three months ended March 31 | |
|---|---|---|
| | 1992 | 1991 |
| | (Dollar amounts in thousands, except per share amounts) | |
| Cash flows from operating activities: | | |
| Net income | $ 213 | $ 167 |
| Adjustments to reconcile net income to net cash flows provided by/(used in) operating activities: | | |
| Loans made for resale | (4,632) | (1,774) |
| Principal received on sale of loans* | 4,693 | 2,405 |
| Loan loss provision | 45 | 60 |
| Amortization of loan fees | (133) | (86) |
| Depreciation & amortization | 103 | 81 |
| (Increase)/decrease in interest receivable and other assets | (6) | 44 |
| Increase/(decrease) in interest payable and other liabilities | 119 | 334 |
| Net cash provided by/(used in) operating activitites | 402 | 1,231 |
| Cash flows from investing activities: | | |
| Purchase of certificates of deposit in banks | (250) | 0 |
| Proceeds form maturity of certificates of deposit in banks | 0 | 200 |
| Purchase of investment securities | (323) | (150) |
| Proceeds from maturity of investment securities | 628 | 259 |
| (Increase)/decrease in loans made to customers | (388) | 2,285 |
| Capital expenditures | (35) | (759) |
| Net cash provided by/(used in) investing activities | (368) | 1,835 |
| Cash flows from financing activities: | | |
| Increase/(decrease) in non-interest-bearing deposits | (559) | (1,257) |
| Increase/(decrease) in interest-bearing deposits | (1,738) | (451) |
| Payments on note payable | (6) | 0 |
| Proceeds from issuance of common stock | 0 | 6 |
| Payment on fractional shares of stock dividends | (4) | (2) |
| Net cash provided by/(used in) financing activities | (2,307) | (1,704) |
| Net increase/(decrease) in cash and cash equivalents | (2,273) | 1,362 |
| Cash and cash equivalents at beginning of period | 10,213 | 5,824 |
| Cash and cash equivalents at end of period | $ 7,940 | $ 7,186 |

## SECURITIES AND EXCHANGE COMMISSION -- FORM 10-Q

## PART I – FINANCIAL INFORMATION

### Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

### Changes in Financial Condition

During the three months ended March 31, 1992, total assets of First Financial Bancorp and Subsidiary declined by $1,975,000 or 1.97%. The asset category in which nearly all of the reduction took place was federal funds sold which decreased by $1,900,000 or 50%. The decline in assets was primarily due to a net outflow of deposits during the quarter of $2,297,000 or 2.63%. Non interest bearing deposits declined by $559,000 or 10.71% , while interest bearing accounts fell $1,738,000 or 2.1%. The deposit outflow was the result of seasonal deposit activity. There were no other material changes in the mix or maturity distribution of either earning assets or deposit liabilities during the quarter.

### Changes in Results of Operations

Net interest income before provision for loan losses increased by $80,000 or 9.1% . The change was the result of several factors as discussed in the following paragraphs.

Average earning assets increased approximately 16% over the prior-year quarter, while total interest income for the three months ended March 31, 1992 was substantially the same as total interest income for the three months ended March 31, 1991. Increased earnings potential from the growth in earning assets was offset by a general decline in interest rates. The average yield on earning assets declined by approximately 140 basis points for the quarter ended March 31, 1992 versus the quarter ended March 31, 1991.

Average deposit balances increased by approximately 14.5% over the prior-year quarter. As compared to the quarter ended March 31, 1991, the average expense yield on total deposit liabilities for the quarter ended March 31, 1992 declined by approximately 155 basis points. Measured against just interest bearing deposits, the decline in the average expense yield was approximately 165 basis points, resulting in a reduction of interest expense on deposits of $158,000 or 14%. Interest expense for the quarter ended March 31, 1991 was net of $28,000 in interest that was capitalized as part of the construction cost for the new headquarters facility.

Other interest expense increased to $72,000 from $1,000 due to the acquisition in late 1991 of permanent mortgage financing on the company's headquarters facility.

The provision for loan losses of $15,000 is 25% below the prior year quarter. The higher prior year provisions, both during the first quarter and at year-end were the result of potential losses from a weakening economy as contrasted with the slowly improving economic environment in the current year.

The increase in other income of $118,000 or 47% is due primarily to increased SBA and mortgage activity. SBA premium income increased 53%, while mortgage loan origination volume increased by 179%. Both the mortgage and SBA departments benefited from an increased corporate focus on the business opportunities in these areas. In addition, the recent decline in mortgage interest rates prompted an increase in home mortgage refinancings in comparison to the prior-year quarter. Deposit account service charges increased $31,000 or 29.25% reflecting growth in deposit balances as well as an overall increase in transaction volumes in relation to the deposit account base.

Operating expenses increased $134,000 or 15.8%. The increase is due primarily to the overall growth of the bank as well as the specific growth in the SBA and mortgage operations.

All material inter company accounts and transactions have been eliminated in consolidation. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results of the interim periods presented.

## SECURITIES AND EXCHANGE COMMISSION -- FORM 10-Q

## PART II -- OTHER INFORMATION

### First Financial Bancorp & Subsidiary

**ITEM 1. LEGAL PROCEEDINGS**

Not Applicable.

**ITEM 2. CHANGES IN SECURITIES**

Not Applicable.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not Applicable.

**ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

The information required by this item is contained in the Notice of Annual Meeting of Shareholders and Proxy Statement dated April 3, 1992 and is herein incorporated by reference. With respect to purpose number 2, there were no other items of business transacted.

**ITEM 5. OTHER INFORMATION**

Not Applicable.

**ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K**

**(a) Exhibits**

| Exhibit Number | |
|---|---|
| 2 | Not Applicable. |
| 4 | Registrant's current Bylaws. |
| 11 | Primary and fully diluted earnings per common and common equivalent share are calculated by dividing net income by the weighted-average number of common and common share equivalents outstanding during the period. Stock options are considered common share equivalents for this calculation. Weighted average shares used in the computation of earnings per share were 1,299,275 and 1,178,126 for the quarters ended March 31, 1992 and 1991 respectively. |
| 15 | Not Applicable. |
| 16 | Not Applicable. |
| 18 | Not Applicable. |
| 19 | Not Applicable. |

| Exhibit Number | |
|---|---|
| 20 | Not Applicable |
| 23 | Notice of Annual Meeting and Proxy Statement dated April 3, 1992; filed April 13, 1992. |
| 24 | Not Applicable. |
| 25 | Not Applicable. |
| 28 | Not Applicable. |

(b) **Reports on Form 8-K**

Report of Declaration of Stock Dividend filed on form 8-K January 23, 1992.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST FINANCIAL BANCORP

Date 5/14/97

William Freitas
President
Chief Executive Officer

Date 5-14-97

David M. Philipp
Vice-President
Chief Financial Officer